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AIR POUCH PRIORITY — UNCLASSIFIED (Security Classification) — (Unrestricted Section)

DO NOT TYPE IN THIS SPACE

Assigned to ... 714.00(W)/9-1853

Action Taken

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, GUATEMALA — 250 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — September 18, 1953 DATE

REF : -- / F790004-1113 ... of Action SEP 19 1953

18 For Dept. Use Only	ACTION OLI	INFO DEPT. REF ARA E I IBS EFI EIB ... Office Sym.
	REC'D SEP 20	OTHER AG CON FIE NAT TR REC ARMY NAVY AIR SIA CSA ... Officer

SUBJECT: WEEKA NO. 38 - ECONOMIC SECTION ... on to DC/R

DECLASSIFICATION DATE 12-31-78 PER LAMMAN OFFICE ARA FADRC FOI. CASE NO. 74032

714.00(W)/9-1853

SECTION II

Highways (Unclassified)

On September 12 President ARBENZ, accompanied by other high Guatemalan officials, formally opened a new 15-mile stretch of paved road from Totonicapán to Quezaltenango. This is the first section to be completed of the 76-mile Totonicapán-Champerico highway planned under the four-year public works program announced in November 1952 (WEEKA No. 16). Sr. Humberto GONZALEZ Juarez, private secretary to the President, delivered the principal address and stated that the road was a necessary complement to the Agrarian Reform Law as it would provide an outlet for the increased agricultural production of the new landowners in that area.

The press reported that construction of the road was begun in June 1951, that the total cost was $733,248, and that work on the remaining Quezaltenango-Retalhuleu-Champerico sector was progressing rapidly. The 1950 International Bank Mission recommended building a road from Totonicapán to Retalhuleu, thus connecting the Inter-American and the Pacific coastal highways at an estimated cost of $2,500,000, but the Guatemalan Government's program added a 25-mile extension from Retalhuleu to the unimportant Pacific port of Champerico.

Re-Assessment of Real Estate (Unclassified)

Sr. Enrique LEERAYES, Director General of Revenues, told the press this week that on the basis of a Ministry of Finance study, valuations for tax purposes would be raised on all urban and rural property appraised at more than $100 because real estate was at present registered

EHMiller/dkp (9/17/53) REPORTER — UNCLASSIFIED (Restricted Sections)

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(Classification)

F790004-1114

at extremely low values. He said that the re-assessment would be made as soon as authorized by the Ministry of Finance and would increase the Government's annual revenues by $2,000,000.

Restricted

Although Sr. Leerayes' statement shows an awareness that the market value of land is generally far in excess of the assessed valuation, there is no indication that the Government proposes to take this into consideration insofar as private land expropriated under the Agrarian Reform Law is concerned. The Law provides that compensation be based on the assessed valuation on May 9, 1952.

Rudolf E. Schoenfeld

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HRL